

levels of assistance may be available to the neediest areas.

Financial support includes grants, contributions, repayable contributions, participation loans and loan guarantees. Thus IRDP can provide help for infrastructure and institutional projects to benefit industrial development. Assistance stimulates the development of new products or processes to increase industrial productivity and international competitiveness. Funds help to establish new production projects in regions with relatively high economic disparity and to modernize or expand existing facilities. IRDP also provides money to manufacturing or processing firms for market research and strategy studies.

16.4.2 Small businesses loans

A Small Businesses Loans Act (SBLA) makes loan guarantees available to new and existing small businesses. A small business is defined as an enterprise whose annual gross revenues do not exceed \$1.5 million during a fiscal period. For a new business, it is an enterprise whose estimated gross revenue in the first fiscal period, not less than 52 weeks, does not exceed \$1.5 million.

Loans are made by chartered banks and other approved lending institutions to small business enterprises in manufacturing, wholesale or retail trade, service businesses, construction, transportation and communications. Under the act a small business may have outstanding not more than \$100,000 at any one time.

The rate of interest on SBLA loans is set at 1% over the prime lending rates of the chartered banks and fluctuates with changes in those rates for the duration of the loan. Loan repayment is not to exceed 10 years. Instalments must be paid at least annually or more frequently at the discretion of the lender.

All SBLA loans must be secured. Security can be in the form of land or chattel mortgages or other security that the lender deems to be required. A borrower is also required to sign a promissory note undertaking to repay the loan. Other terms and conditions are worked out between the lender and the borrower.

16.4.3 Machinery program

This program is an industrial development incentive with a twofold objective. It encourages machinery manufacturers to derive optimum benefit from the tariff on machinery and enables machinery users to acquire advanced production equipment at the lowest possible cost.

The program assists Canadian machinery manufacturers by ensuring tariff protection on the machinery and equipment they produce as soon as they are able to supply. Direct contacts between machinery producers and users encourage the purchase of Canadian-made machinery instead of imported equipment. Machinery users benefit from

remissions of duty under the program in terms of reduced cost for the purchase of advanced production equipment not obtainable in Canada.

16.4.4 Industrial design

The National Design Council, created by an act of Parliament in 1961, is responsible for improving the quality of design in Canadian industrial products. The 17 council members represent industry, the professions, labour, distributors and the consumer. They function in an advisory capacity to the minister of DRIE.

The awards and design directorate of the office of industrial adjustment of DRIE acts as secretariat to the National Design Council. The directorate promotes improved industrial design, particularly helping small and medium-sized companies to strengthen their design capability and to develop and market new or improved products. It administers a cost-sharing grant arrangement with the provinces through a product development management program, administers federal productivity awards and design awards programs, provides design advisory services to industry and administers a scholarship program to upgrade design skills in Canada.

16.4.5 Defence industry productivity

The defence industry productivity program (DIPP) offers financial assistance to companies that develop or produce defence or defence-related products for export. Funds are available for market studies, research and development of products for export, acquisition of modern tools and equipment to meet military standards, and pre-production expenses in establishing manufacturing sources in Canada for defence or defence-related export markets.

The program helps companies across a wide range of industry sectors including electronics, transport, avionics, navigation equipment, space technology, metallurgy and engines.

16.4.6 Canadian Industrial Renewal Board

This board was set up in October 1981 to modernize and renew the textile, clothing and footwear industries; to broaden the economic base of certain communities; and to assist workers who are affected by technological change. Most of its activity is carried out in the general areas of Montréal, Toronto, Winnipeg and to some extent Vancouver.

16.5 Canada Development Corp.

Canada Development Corp. (CDC) is an enterprise through which Canadian investors can employ their savings in the development of profitable enterprises.

Although the initial share subscription for CDC came from the federal government, the corporation was specifically designed to operate in the private sector from which it has raised all its funds since 1974. Thousands of individual investors